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FACTS

ADDRESSED TO THE
SERIOUS ATTENTION
OF THE
PEOPLE OF GREAT BRITAIN
RESPECTING THE
EXPENCE OF THE WAR,
AND THE
STATE OF THE NATIONAL DEBT.



_____ Flagitio additis
Dammum,

Hor.

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By **WILLIAM MORGAN, F. R. S.**

FOURTH EDITION, IMPROVED.

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DELL) STRAND,

1796.

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P R E F A C E

TO THE

FIRST EDITION.

IN the following tract I have confined myself entirely to an examination of the effects which the war has already produced on the *finances* of this country; and I think it will appear that the expenditure of the last three years has added so enormously to the national debt, that if the same unexampled dissipation of the public treasure be continued much longer, it must inevitably terminate in bankruptcy and ruin.

I have not entered into a description of the carnage and the miseries by which this war has been so peculiarly distinguished, and which must sicken every friend of humanity, well

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knowing that considerations of this kind seldom influence the councils of statesmen, or even sufficiently rouse the indignation of a people. While the ravages of war are spreading death and desolation at the distance of a thousand miles they are but little regarded. Misfortune must make very near approaches to the great mass of mankind before it excites their alarm. It must press immediately upon themselves before they seriously begin to feel for the miseries of their fellow creatures. In whatever detestation, therefore, I may hold this war both in regard to its principle and the manner in which it is conducted, I have chosen to appeal to the lower passion of self-interest, rather than to the sublime feelings of humanity; being convinced, notwithstanding this country may boast of as many good men as any other, that this is the only means of awakening an effectual opposition to the present system.

I have been much indebted, in the composition of this work, to a pamphlet bearing the

the same title, which was published during the American war by Dr. *Price* and another learned and eminent patriot who is still living; and I had once intended to have divided it into the same general heads of the " King's Civil List," " The Chancellor of the Exchequer's Civil List," " The first Lord of the Admiralty's Civil List," &c. But the loss of our property is not the only loss we have sustained by the present war, and therefore whoever reads that admirable pamphlet, will soon perceive that it was more expedient at this time to adopt a different plan. Having no other wish than to promote the happiness and liberty of this country, I am anxious only to expose the errors and misconduct of ministers so far as to awaken the public attention to the calamities with which we are endangered; being satisfied that, when these are clearly seen and understood, the authors of them will be sufficiently reprobated without the trouble of *expatiating* on their wickedness and incapacity.

January 28th, 1796.

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ADVERTISEMENT

TO THE

SECOND EDITION.



THE principal additions which have been made to this work in the present edition, may be found in the 9th page, in two notes in the 16th and 43d pages, and in the Appendix.

February 19th, 1796.

*Published by the same Author, and printed for T.
Cadell, Jun. and W. Davies in the Strand,*

A

REVIEW

OF

Dr. PRICE's WRITINGS

ON THE

FINANCES OF GREAT BRITAIN.

To which are added, the Three Plans communicated by him to Mr. PITT, in the year 1786, for redeeming the National Debt—an Account of the Real State of the Public Income and Expenditure, from the Establishment of the Consolidated Fund to the year 1791—and also a Supplement continuing the Account to 1795, and stating the Amount of the Public Debt in the Beginning of that Year. Second Edition, Price 2s. 6d.

F A C T S,

&c.

SECTION I.

On the EXPENCE of the Present War.

WHATEVER difference of opinion may be entertained respecting the *justice* and *necessity* of the present war, there can be none in regard to the enormity of the expence with which it is attended. Compared with every other war in which this country has been involved, it will appear to be so ruinous, as hardly to admit of any provocation sufficient to justify the evils which it has already produced. We are said to be contending for all
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that is most important to property, social order, and the religion of mankind, and are called upon to sacrifice every other interest rather than not succeed in attaining these objects. But have not wars, so far from improving, always been found to destroy the property of a nation? and have not the crusades which have hitherto been carried on in the name of religion,* invariably disgraced and ruined the cause they professed to maintain? The consequences of this war may possibly be different; although its warmest advocates must acknowledge that the prospect at present is neither encouraging nor consolatory. Feeling, however, no disposition to enter upon this part of the subject, I mean only to state a few facts concerning the public expenditure for the last three years, being satisfied that if these do not impress the reader, it would be in vain for me to attempt it by arguments of any other kind.

It is a melancholy truth, that every war in which we have been engaged for the last century, has uniformly proved more expensive than any that had preceded it. But the Ame-

* This, I believe, is the first crusade for social order.

ican war was so peculiarly distinguished in this respect, as to create an opinion that we had then arrived at the highest point of profusion, and that neither the credit nor the resources of the country could survive a repetition, much less an aggravation of this evil. The experience, however, of the last three years has shewn this opinion to have been ill-founded, and that the limits of our expenditure were at a much greater distance than the extravagance and dissipation even of that war had taught us to place them. Of this fact no doubt can be entertained by any person who is in the least acquainted with public affairs ; and the following statements are given, not with the view of proving what is already so well known, but in order to point out the enormous magnitude of the sum by which the expences of the first four * years of the present war have exceeded those of the same term in the American war.

* This is said on the supposition that the supplies for the next campaign are provided for.

*War Establishment according to the
Estimates of Lord NORTH.**War Establishment according to the
Estimates of Mr. PITT.*

(In the Year 1776.)

	£.	Total.
Navy	3,227,056	
Army	3,462,282	
Ordnance	472,827	
	<u> </u>	7,162,165

(In the Year 1777.)

Navy	4,210,305	
Army	3,773,592	
Ordnance	592,817	
	<u> </u>	8,576,714

(In the Year 1778.)

Navy	4,001,899	
Army	4,859,107	
Ordnance	683,300	
	<u> </u>	9,544,306

(In the Year 1779.)

Navy	4,589,069	
Army	5,913,081	
Ordnance	917,374	
	<u> </u>	11,419,524

Amount of the Estimates for four
Years — £.36,702,705

(In the Year 1793.)

	£.	Total
Navy	3,971,915	
Army	3,993,715	
Ordnance	783,767	
	<u> </u>	8,749,397

(In the Year 1794.)

Navy	6,340,000	
Army	5,525,000	
Ordnance	1,345,000	
	<u> </u>	13,210,000

(In February 1795.)

Navy	6,315,523	
Army	11,036,967	
Ordnance	2,321,011	
	<u> </u>	19,673,501

(In December 1795.)

Navy	7,072,000	
Army	9,600,000	
Ordnance	1,744,000	
	<u> </u>	18,416,000

Amount of the Estimates for four
Years — £.60,048,898

Neither of these sums include the votes of credit, miscellaneous services, &c. which being nearly in the same proportion to each other as the above estimates, do not affect the conclusion to be drawn from this statement—
“ That the expences of the first four years
“ of the present war are *two-thirds* greater
“ than

“ than those of the first four years of the most
 “ extravagant war in which this country had
 “ ever been engaged.”* Had the comparison been made with the expenditure of other wars, the result would have been much more striking.† But it is to be observed, that the present year has produced the new phenomenon of *two* budgets, and therefore in order to give a full and adequate idea of the expence of this war compared with that of the American, it will be necessary to state the whole amount of the debt incurred by both wars during the same period from their commencement.

As the expences of the next campaign are said to be provided for by the loan in December last, I shall in this account give the whole of the debt incurred from the year 1776

* If the year 1775 had been taken as the first year of the American war, the excess would have been still greater.

† In the year 1704, which was distinguished by the battle of Blenheim, the capture of Gibraltar, and other exploits, Lord Godolphin's estimates, as laid before Parliament, were,

for the Navy, - 2,693,135

— Army, - 1,801,005

— Ordnance 153,000

£. 4,647,140 which is not *one-fourth* the
 amount of the estimates for
 the last campaign.

to

to 1780, which includes an equal number of campaigns with the present war, admitting even, against all probability, that the expences of the next campaign will not exceed the provisions which have been made for them by the last loan.

Debt

Debt incurred by the American War, from the Year 1776 to 1779 inclusive.

	Principal. £.	An. Interest. £.
Stock in the 3 per cents. in 1776	2,150,000	64,500
Ditto — — — 1778	6,000,000	180,000
Ditto — — — 1779	7,000,000	210,000
Stock in the 4 per cents. in 1777	5,000,000	200,000
An Annuity of 25,000l. for ten Years, in 1777, worth then	192,500	25,000
Ditto of 150,000l. for 30 Years in 1778, worth then	2,305,860	150,000
Ditto of 262,500l. for 29 Years in 1779, worth then	3,974,510	262,500
Funded Debt and its Interest	26,622,870	1,092,000

Unfunded Debt.

Navy Debt	£.
Extraordinary of the Army	8,000,000
— of the Ordnance	3,100,000
Exchequer Bills	550,000
Debt of the Sinking Fund	3,400,000
	700,000
Debt of Unfunded Debt before the war	15,750,000
Whole addd. to the Unfunded Debt	12,650,000

Debt incurred by the Present War from the Year 1793 to 1796 inclusive.

	Principal. £.	An. Interest. £.
Stock in the 3 per cents. in 1793	6,250,000	187,500
Ditto — — — in 1794	11,000,000	330,000
Ditto — — — in Feb. 1795	18,000,000	540,000
Ditto — — — in Dec. 1795	26,100,000	783,000
Stock in the 4 per cents. in 1794	2,750,000	110,000
Ditto — — — in Feb. 1795	6,000,000	240,000
Navy debt funded in the 5 per cents. in 1794	1,949,330	97,466
Ditto — — — in 1795	2,012,040	100,602
An annuity of 62,792l. for 66 years in 1794		62,792
Ditto of 85,500l. for 65 do. Feb. 1795		85,500
Ditto of 58,500l. for 64 do. Dec. 1795		58,500
Whole ann. 206,892l. worth, at 4l. 13s. 6d. per cent.	4,288,900	
Funded debt and its interest, exclusive of management	78,350,270	2,595,360

Debt incurred during the American War continued.

	Principal.	An. Interest.
Additional Shilling in the Pound Land Tax for four Years, at 450,000 <i>l.</i> per <i>ann.</i> which before this war was at 3 <i>l.</i> in the Pound	1,800,000	
Peace surplus in the revenue before the war, and applied to the expenses of the war, reckoned at 750,000 <i>l.</i> per <i>ann.</i>	3,000,000	
Probable expenses if the war had terminated in 1779, for pay of troops, &c.	3,500,000	
Funded Debt	8,300,000	
Unfunded Debt, and interest at 5 per cent.	26,622,870	1,331,143
Total of the debt and the annual expense attending it, exclusive of management	12,650,000	1,558,000

Debt incurred during the Present War continued.

	Unfunded Debt.	Principal.	An. Interest.
Mary debt	—	5,000,000	
Venc. of credit for the extraordinary of the army and navy	—	4,000,000	
A debt not paid by the East India Com. <i>y</i> , but taken as part of the supplies in 1794 and 1795	—	1,000,000	
Exchange bills	—	6,000,000	
Unfunded debt and interest at 5 per cent.	—	16,000,000	800,000
Funded debt and interest	—	78,350,270	2,595,360
Total of the debt and the annual expense attending it, exclusive of management	—	94,350,270	3,395,360
To which may be added the Emperor's loan consisting of stock in the 3 per cent.	3,833,333		
Ann. of 230,000 <i>l.</i> worth	3,320,441		
	71,531,774		945,000
Total	101,504,044		3,740,360

The probable expences which cannot immediately cease with the termination of the war, and which have been estimated in the account of the American war, together with the bounty on corn, the arrears now due for the cloathing and pay of the army, the sums borrowed of the Bank on the anticipation of the land and malt tax, the addition to the navy debt since Christmas, and other articles too numerous to be mentioned, may not only be placed against so much of the unfunded debt as was incurred previous to hostilities, but may be stated so far to exceed it, that exclusive even of the Emperor's loan which has already been granted him, and of another loan to him with which this country is threatened for the ensuing campaign, the expence of the war, which commenced only in February 1793, may be fairly estimated at one hundred millions. In other other words, the debt incurred by the present war is more than *double* the debt incurred during the same period by a war which was then represented with truth to be the most expensive that had ever been carried on by this country.

Were the progress of our expences to be traced during the several wars in which we have been engaged for the last century, we should find it uniformly accelerating in every department. We should find the accounts of the navy, the army, and the ordnance, as if proud of keeping pace with each other and surpassing those that have preceded them, continually increasing in the enormity of their amount. But the limits which I have assigned to this treatise will not allow me to enter into a minute detail of these particulars, and therefore I shall confine myself to one article, which may perhaps be sufficient to give the reader a proper idea of the rest.

Ordnance Estimates voted in the Years,

	£.		£.		£.
1756	299,157	1776	471,817	1793	783,767
1757	437,622	1777	592,817	1794	1,345,000
1758	391,807	1778	683,299 (Feb.)	1795	2,321,011
1759	554,277	1779	917,373 (Dec.)	1795	1,744,000
Total in 4 years	1,682,863		2,666,316		6,193,778

From this statement we may perceive the progressive increase of the ordnance estimates. In the American war they were *one half* greater

ter than in the preceding war. In the present they are more than *double* what they were in the American war: nay in the last year* alone they were nearly equal to their whole amount in the first four years of the American war: and in the present year they are more than equal to the whole amount of the first four years of the preceding one. In the army and navy the expenditure has increased in the same proportion. Nor is the evil confined to these important departments only. In every inferior department it has proceeded with an equal pace: even the secret service money, which in the war of 1755 was 44,000*l. per ann.* and which had increased in the American war to 86,000*l. per ann.* amounted in the last year to the stupendous sum of 151,000*l.!* But it is unnecessary to enter further into particular instances. The accounts which I have given of the debts already incurred by this war afford sufficient proof of its exceeding all others in expence.

* The ordnance estimates in this year were more than half the amount of Lord *Godolphin's* estimates for the whole of the war establishment in 1704, and in the present year they fall very little short of the whole of the army estimates in that memorable year. (See Note, page 5.)

Whether these debts have been compensated by the value of our conquests in *Corfica*, *L'Isle Dieu*, and elsewhere—or whether the public money has been expended with economy and wisdom, are matters which admit of much doubt, but being entirely foreign to my purpose, I shall not enter upon the consideration of them. My design in this treatise is not to examine the operations of the war minister, but those of the minister of *finance*. Instead therefore of inquiring into the manner in which the public money has been *expended*, I shall now inquire into the manner in which it has been *borrowed*.

SECTION

SECTION II.

On the LOANS in the present War.

HAVING in the foregoing section exhibited the enormous amount of the expenditure in the last three years, it may be necessary here to add, that this has been done by an administration which at its commencement had assumed to itself the greatest merit in *reducing* the public debts. From such an administration, therefore, it will be naturally expected that the money has been raised towards providing for this expenditure by borrowing on the most frugal terms, and that care has been taken that no needless addition has been made to the capital of a debt which had alarmed the nation by its magnitude long before this expenditure had become necessary. It has been very justly objected to Lord North's loans, that they were chiefly made in a stock which bore a *low* interest, by which means the

the capital of the public debt was increased in a much greater proportion than it would have been, had they been made in a stock which bore a higher interest.

The following comparison of the loans made in the first four years of the American war, and those which have been made in the present war, will shew how far Mr. Pitt has corrected the errors of his predecessor.

<i>Borrowed in</i>		<i>Cash received.</i>
£.		£.
1776,	3,150,000 Stock in the 3 per cents, at 85 per cent.	1,827,500
1777,	5,000,000 Stock in the 4 per cents, at 95 per cent.	4,750,000
1778,	6,000,000 Stock in the 3 per cents, at 66½ per cent.	3,990,000
1779,	7,000,000 Ditto at 60 per cent.	4,200,000
20,150,000 Capital		Cash received 14,767,500
1793,	6,250,000 Stock in the 3 per cents, at 72 per cent.	4,500,000
1794,	11,000,000 Ditto at 67½ per cent.	7,425,000
1794,	2,750,000 Stock in the 4 per cents, at 84 per cent.	7,110,000
1795,	6,000,000 Ditto at 80 per cent.	
Feb. 1795,	18,000,000 Stock in the 3 per cents, at 62 per cent.	11,160,000
Dec. 1795,	26,100,000 Do. at 66 per cent.	17,226,000
70,100,000 Capital †		Cash received 47,421,000

It appears from this account, that Lord North for receiving the sum of 14,767,500/.

* The average price of stock in those years,

† Exclusive of the Emperor's loan.

added

added to the capital 5,382,500*l.* more than the money advanced, and that Mr. *Pitt* for the sum of 47,421,000*l.* has added to the capital 22,679,000*l.* more than the money advanced, which ought not to have exceeded 17,284,000*l.* had he borrowed even upon no better plan than his predecessor. If the Emperor's loan in the three *per cents* be added to the above account, the capital in this case will be 73,933,000*l.* and the sum received 49,568,000*l.*, which will make the excess of the former above the latter equal to 24,365,000*l.* During the whole course of the American war, Lord *North* funded 73,400,000*l.* in the three and four *per cents*, for which the sum of 47,968,000*l.* was advanced. Mr. *Pitt* therefore in the first four years of the present war does not seem to have borrowed money on a much better plan than Lord *North* did during the *whole term* of the American war; the one having created a needless capital of more twenty-two millions and a half on a sum of 47,421,000*l.*,* the other having created a needless capital of twenty-five millions and a half on a sum of 47,968,000*l.*

* Or, including the Emperor's loan, of 24½ millions on a sum of 49,568,000*l.*

But if this war be protracted, the terms of the loan must necessarily become worse and worse, so that by the time it has continued as long as the former war, it will be well if the capital of the debt increases only *twice* as fast as the money is advanced. By adopting the ruinous method of borrowing in the three *per cents*, Mr. Pitt has, in this instance at least, relinquished the principles with which he commenced his administration. He was then aware that the redemption of the public debts was facilitated by the conversion of this stock into another bearing a higher interest, and submitted a plan for that purpose to the consideration of Dr. Price.* If the debts be redeemed with greater ease in a stock bearing a high interest, they must necessarily accumulate faster by borrowing in a stock bearing a low interest.† This is the stock, however, in which

* See my Review of Dr. Price's writings on the finances of Great Britain, p. 19, &c.

† Some persons of the first abilities have maintained, that it makes no difference in what stock the money is borrowed, since every loan is to be considered only as a *perpetual annuity*, and therefore it is of no consequence how much the capital is increased. This opinion (which I cannot imagine Mr. Pitt to entertain) is founded on the supposition that the debts are never

which the Minister has chosen to make the principal part of all his loans, but particularly the last, which almost wholly consists of it. In that loan eighteen millions have been borrowed by creating a capital of 26,100,000*l.* stock in the three *per cents*, and granting an annuity for 64 years of 58,500*l.*, which, reckoning interest according to the rate at which this money was raised, is worth 1,212,000*l.* If these two sums be added, their amount will be equal to 27,312,000*l.* which is just *one half* greater than the money received; that is, for every 100*l.* received in money, the public debts are increased 150*l.* Had this money been raised in the *four per cents*, by granting 120*l.* stock for every 100*l.* advanced, the capital would have been increased only to 21,600,000*l.* and the interest in both cases would have been very nearly the same. For according to the present terms, the public creditor for every 100*l.* advanced, is allowed an annuity of 6*s.* 6*d.* — 145*l.* stock in the three *per*

to be paid, and consequently that every addition to them is a nearer approach to bankruptcy. If this be true we must be acknowledged to have taken very long and alarming strides towards ruin in the last three years.

cents (the interest of which is 4*l.* 7*s.*) and also a drawback in the proportion of 1*l.* 10*s.* to 120*l.* stock in the three *per cents*, amounting to 1*l.* 16*s.* 2*d.* which is nearly equivalent to 2*s.* *per annum* in the long annuities. These three sums, 6*s.* 6*d.*—4*l.* 7*s.* and 2*s.* amount together to 4*l.* 15*s.* 6*d.* which is within *six-pence per cent.* of the interest on 120*l.* stock in the four *per cents*. In other words, by borrowing this year in the three *per cents*, rather than in the four *per cents*, Mr. Pitt has saved 4500*l.* *per ann.* on the whole loan, which is worth about 100,000*l.* but has created a needless capital of more than five millions and a half.—I say *needless capital*, for certainly, if the commissioners, instead of confining themselves to the three *per cents*, had occasionally purchased in the four *per cents* (and which they ought to have done) that stock would have so risen in value as to have enabled the Minister to have borrowed even upon better terms than I have stated. There cannot be a stronger proof of this than the sudden rise in that stock produced by the commissioners purchasing in it for a few days just before the opening of the loan. A common observer might have been
led

led to infer from this circumstance, that the Minister, aware of the bad consequences of borrowing in the three *per cents*, had resolved to change his plan, and had taken this course in order to facilitate his operations, and render them more advantageous to the public. But the plans and operations of Ministers of state do not lie open to common observers. The loan, as is well known, was made in the three *per cents*, which being depressed by this sudden and temporary change in the conduct of the commissioners, contributed, with other circumstances equally curious, though not perhaps so unaccountable, to render this loan one of the most distinguished for its extravagance of all the loans that have ever been made in this country.*

Thus, then, it is evident that the expences of the war have not hitherto been rendered less enormous by any wisdom or œconomy in raising the money to provide for them. On the contrary, the profusion in *borrowing* seems to keep pace with the profusion in *expending*, and the public debt, which terrified the nation by its magnitude when it approached to

* See note A, Appendix.

fifty millions, has in ten months received even an *addition* which greatly exceeds that sum. If the debts be increasing at this rate, it will naturally be asked, “to what stupendous amount must the whole mass of them have accumulated by this time?” This is a question of the utmost importance to the interest and happiness of the country, and the following section will be employed in the solution of it.

SECTION

SECTION III.

On the NATIONAL DEBT.

Amount of the Funded Debt on the 1st of January, 1796, which had been incurred previous to the Year 1784.

	Principal. £.	Interest & Managem £.
80,202l. Exchequer annuities, of which nine years remain unexpired, value —	618,437	80,202
Annuities for Lives, with benefit of survivorship, granted by 5 Geo. III. — —	18,000	540
Life Annuities granted in the years 1745, 1746, 1757, and 1782, which, in 1783, were 64,574l. but now supposed to be 52,000l. valued at eight years purchase — —	416,000	52,000
688,029l. Long Annuities for 64 years *14,323,000		688,029
Stock in the 4 per cent. Consolidated Bank Ann. 32,750,000		1,324,737
408,880l. Short Annuities for 12 years — 3,895,800		408,880
Stock in the 5 per cent. Bank Annuities 17,869,994		901,541
Bank Stock — 11,686,800		
Reduced Bank Annuities 41,540,074		
Consolidated Bank Annuities 107,399,696		
Annuities borrowed in 1726 1,000,000		
South Sea Annuities — 24,065,084		
Ditto borrowed in 1751 — 1,919,600		
Whole amount of the capital and interest of the 3 per cents — — —	187,611,254	5,714,434
Total —	257,502,485	9,170,363

* These and the Short Annuities are computed at the same rate of interest as the 3 per cents. produce when they are at 64, which was the interest allowed by the Chancellor of the Exchequer on his last loan.

Additions

Additions to the Funded Debt since the Year 1788.

	Principal.	Interest & Managem.
	£.	£.
Borrowed on a tontine in 1789	1,002,140	*43,000
24,000l. Sh. Ann. for 12 years, bor. 1789	133,392	14,001
Stock in the 4 per cent. Consolidated Bank Annuities, borrowed in 1794	2,750,000	
Ditto in ditto borrowed in 1795	6,000,000	
	8,750,000	353,938
	<i>Val. includ. Managem.</i>	
	£.	
63,350l. Long Annuities borrowed in 1794	1,314,000	
86,250l. ditto borrowed Feb. 1795	1,789,000	
58,980l. ditto borrowed Dec. 1795	1,220,500	
	4,323,500	208,027
Stock in the 3 per cent. Confol. Bank Ann. borrowed in 1793	6,250,000	
Ditto in ditto borrowed in 1794	11,000,000	
Ditto in ditto borrowed Feb. 1795	18,000,000	
Ditto in ditto borrowed Dec. 1795	21,600,000	
Ditto in the Reduced Bank Ann. borrowed in ditto	4,500,000	
	61,350,000	1,868,108
Navy Bills converted into 3 per cent. Bank Ann. in 1794	1,949,330	
Ditto ditto in 1795	2,012,040	
	3,961,370	199,849
Total	79,420,402	2,686,923
Debt contracted prior to Jan. 1785 (see p. 21)	257,502,485	9,170,363
Whole of the funded debt and its interest	337,022,887	11,857,286
Amount of the unfunded debt and its interest at 5 per cent. (see p. 8.)	16,800,000	800,000
	353,822,887	12,657,286
Emperor's loan, consisting of stock in the 3 per cent. annuity of 230,000l. for 25 years, worth	3,833,333 116,725	7,205,133 348,234
Total of the debt and its annual expence, including the stock redeemed by the commissioners for managing the consolidated fund	360,228,020	13,005,518

* Taken at random, but probably much below the truth.

With

With a debt of between *three and four hundred millions*, and a war still raging which threatens to increase the amount with many millions in addition, is it possible to contemplate our situation without alarm? Or can the circumstance of our enemies being in the gulph of bankruptcy and ruin (even admitting it to be true) secure us against the danger arising from a perpetual accumulation of new debts and taxes? Our resources, great as they are represented to be, must inevitably fail if this system be continued; and when we are involved in the same ruin with our enemies, it can afford us but little consolation to reflect that they have plunged into the gulph before us.

This country has the greatest reason to lament, or rather to execrate those measures which have so often interrupted its peace for the last century. By the seven years war, which begun in 1755 and ended in 1763, the public debts were increased above seventy-one millions. By the American war, which begun in 1775 and ended in 1783, they were increased above one hundred and twenty millions; and by the present war, which begun only three years ago, but which may not end till

till the next century, they have been already increased above one hundred millions; so that the interest and management of the debt, the money appropriated for the sinking fund, together with the civil list and other expences of government, even were peace concluded immediately, would require taxes to be raised annually to the amount of *twenty-two millions!*

I had observed on a former occasion,* that the yearly rents of all the landed estates in the kingdom were not supposed to exceed eighteen millions, and therefore that they were not sufficient to pay the ordinary expences of government. The Chancellor of the Exchequer has lately maintained in the House of Commons that these rents amounted to twenty-five millions annually. I am unacquainted with the source from which he derives his information, though I am the less disposed to confide in its accuracy from his having chosen at the same time to assert, that the personal property of the nation exceeded 600 millions, without adducing either proof or argument in support

* See the Appendix to my Review of Dr. Price's writings on the Finances of Great Britain, p. 14.

of his assertion; and to estimate this and the landed property together at 1300 millions, without making any allowance for that part of the one which is invested in mortgage upon the security of the other, and which ought to have been deducted before the value of both kinds of property could have been stated with tolerable correctness. If it be considered that the land tax at four shillings in the pound, though charged not only upon lands and houses, but also upon *places* and *pensions* (which certainly have not declined of late) produces in general about 1,900,000*l.* *per annum*, it is highly probable that the Minister's estimate greatly exceeds the truth; for two millions would not be more than sufficient to account for a rental of twenty millions annually, on the supposition even that this tax were assessed only in the proportion of *half* the sum which is voted by Parliament, and that the *growing produce* of the place and pension-list were totally excluded from the account. Admitting, however, the accuracy of Mr. *Pitt's* statements, and we have then the consolation to think that the taxes have not yet exceeded the annual produce of all the landed property in the kingdom, but that the war may be conti-

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nued even at its present rate of expense,* almost *fifteen months* longer before this will be effected.

Perhaps the hopes and expectations of some persons may be flattered with the idea that, though our debts are accumulating faster than ever, they are also discharged with increasing rapidity, and that the period must come when the operations of the sinking fund will relieve us from the greater part of the taxes with which we are now loaded. How far these hopes are well founded, and how soon they are likely to be realised, may possibly be inferred from the following section.

* In February last taxes were laid to the amount of 1,645,000*l.* and in the following December other taxes were proposed to the amount of 1,128,000*l.* and yet the interest of many millions of the debt still remains to be provided for.

SECTION

SECTION IV.

*On the Progress which has hitherto been made
in discharging the Public Debt.*

IT appears from the statement in the foregoing Section (page 21) that the national debt in 1786, or at the time in which the consolidated fund was established for its redemption, exceeded 257 millions, and that this debt at the present time has increased to the enormous sum of 360 millions.* Out of this latter sum, however, must be deducted the stock which has been purchased by the commissioners in the interval between the two periods above-mentioned, and the remainder will give the real amount of the national debt at this time, as well as shew the degree in which it has accumulated faster than it has been discharged. But as the purchases (with the exception of a

* If the Emperor's loan be excluded from the debt, this sum will be 353 millions.

few thousands) have always been made by the commissioners in the three *per cents*, it will be necessary, before an accurate idea can be formed of the amount of the debt in 1786, compared with its present amount and with that part of it which has been redeemed, to convert the whole of the debt at these two periods into the three *per cents*.

Amount

Amount of the Debt in 1786, supposing it converted into 3 per cents.

	Amount in 3 per cents.
Stock in the 3 per cents.	—
32,750,000l.* stock in the 4 per cents.	187,611,254
17,869,994l. stock in the 5 per cents.	43,666,666
688,029l. Ann. for 64 years, worth	27,847,000
428,889l. Ann. for 12 years, worth	14,323,000
80,802l. Exchequer Annuity, worth	3,895,800
Tontine granted by 5 Geo. III. worth	618,437
52,000l. Life Ann. supposed to be worth	18,000
	416,000
	<u>19,271,237</u>
	30,031,000
	<u>289,155,920</u>
	121,788,765
	<u>410,944,685</u>

DIFFERENCE†

Amount of the Debt in 1796, supposing it converted into 3 per cents.

	Amount in 3 per cents.
Stock in the 3 per cents.	—
41,500,000l.* stock in the 4 per cents.	248,961,254
21,831,364l. stock in the 5 per cents.	55,333,333
896,056l. Ann. for 64 years, worth	34,091,100
422,001l. Ann. for 12 years, worth	18,646,500
80,802l. Exchequer Annuity, worth	4,029,192
Tontine granted by 5 Geo. III. worth	618,437
Ditto in 1789, worth	18,000
52,000l. Life Annuities, supposed worth	1,002,140
	416,000
	<u>24,730,269</u>
	38,538,000
	<u>24,933,280</u>
Emperor's loan, consisting of stock in the three per cents.	401,856,967
231,507l. annuity, equivalent to	3,833,333
	<u>5,254,385</u>
	9,087,718
	<u>410,944,685</u>

* All these conversions are computed at 4l. 13s. 6d. per cent.; or on the supposition that this interest is made of money by investing money in the three per cents.

† This difference, exclusive of the Emperor's loan, is 112,701,047.

With the exception of the tontine and short annuities borrowed in 1789 (amounting together to 1,769,000 three *per cents*,) the whole of the above *difference*, exceeding 112 millions, (or including the Emperor's loan, 121 millions,) has been added to the public debt since the commencement of the present war. By the addition of fresh taxes in consequence of every new loan, and by the annual appropriation of one million from the consolidated fund, about 17½ millions * of the three *per cents* have been redeemed since the year 1786; that is, the public debts have accumulated in three years to a sum which is *seven* times greater than the sum paid off in ten years. Compared with the whole amount of the debt at the present time, the stock redeemed is to the whole stock in the proportion of one to twenty-four nearly, and the national debt from this comparison will appear to have been lessened in the course of ten years about *ten-pence* in the pound ! At this rate it is obvious that the total discharge of the public debt must be a tedious process. Supposing the war to be now ended,

* It should be observed, that this is only about *three-fourths* of the *needful* capital which has been already created by the loans for the present war.

the sums appropriated for the sinking fund to be faithfully applied, a strict œconomy to be observed in all the expences of government, and the peace of the country to remain uninterrupted for the next forty years, the amount of the public debt at the end of that period might, perhaps, be reduced to *one hundred and fifty millions*. But this prospect, dark and comfortless as it is, in our present circumstances is much too favourable. The termination of the war seems to be at as great a distance as when hostilities first began. Instead of œconomy, therefore, an increased profusion in the public expences is likely to continue, and not only to add to the debt, but to produce an alienation of that fund whose operations without any such addition were already much too feeble for any useful purpose. What reason also have we to believe, when the present war is concluded, (admitting even that its pretended objects are attained in the establishment of social order, religion, and morality) that this country shall be blessed with the undisturbed enjoyment of peace during the long interval of forty years? How much of the last forty years, or of those that preceded them, has been thus distinguished? I fear that the
 experience

experience of those years will afford but a melancholy presage of what is to be expected in future. The Seven Years war—the American war—the Spanish and Russian armaments—and the present war, form the history of the greater part of the last forty years. During this period almost every year has been marked with new impositions either to make up the deficiencies of the preceding, or to provide for the expences of an approaching war. By this means the short intervals of peace have had little or no effect in lessening the public burthens, and the nation has been invariably plunged into every new war with nearly the whole load of debt which had oppressed it in the preceding one. If, therefore, we reason from the experience of *former times*, we shall not be induced to place more confidence in the Minister's operations for redeeming the national debt, than if we confined our reasoning to the particular experience of *his* administration. I do not know even whether, considering all circumstances, it would not have been better that the sinking fund had never been established. If the debt had increased as it has done within these three years, without any prospect of its being discharged,

charged, the nation perhaps might have been awakened into a sense of its danger, and long before this time have adopted effectual measures towards checking the growth and preventing the pernicious consequences of this evil. But instead of this, it has been led to place its whole reliance on an impotent plan, and with the hope that this will operate as powerfully in redeeming, as a war does in increasing the public debt, it gives itself very little concern about the enormity of the amount to which this debt is accumulating. But these are delusions which, if persisted in, must terminate in ruin. It is, indeed, hardly possible to conceive of a credulity so absurd as that which can suppose a country to be in a state of always maintaining its credit, though its debts are increasing twenty times faster than they are discharged. Such, however, appears to be the case with this country at present, and it is to be feared that we shall learn wisdom only when it is too late to profit by its instructions.

SECTION V.

On the Management of the Sinking Fund.

THE plan which the Chancellor of the Exchequer has adopted for redeeming the national debt, is well known to be one of the three plans which at his request were communicated to him by Dr. Price in the year 1786,* and, though originally the weakest of the three, has not only been mutilated and enfeebled by his alterations at its first establishment, but rendered still more ineffectual by subsequent neglect and mismanagement. In the original plan, the redemptions after the first three years were all supposed to be made either in the *four* or the *five per cents*; and this supposition was founded on the principle that money might be improved at a higher interest in these stocks than in the *three per cents*, and

* See my Review of the Writings of Dr. Price on the Finances of Great Britain, Chap. ii.

of consequence that the debt would be discharged faster by confining to *them* the chief operations of the plan. But excepting at a time when it ought not to have been done (which was just before the opening of the last loan) no purchase hath ever been made in the *four per cents*. On the contrary, a preference has invariably been given to the *three per cents*; by which means, though a larger capital appears to be redeemed, the reduction of the debt is in reality retarded.

When the *three per cents* are at 70, and the *four per cents* at 84, money is improved in the one at 4*l.* 5*s.* 9*d.* and in the other at 4*l.* 15*s.* 3*d.* *per cent*. If, therefore, one million were annually laid out during the term allotted for the sinking fund, or 26 years, in purchasing *three per cents* at 70, and another million in purchasing *four per cents* at 84, the capital redeemed in the former will be 65,918,000*l.*, and in the latter, 58,798,000*l.* But the real value of the one is only 46,142,500*l.*, and its interest 1,977,540*l.*, while the real value of the other is 49,390,200*l.* and its interest, 2,351,920*l.* Hence it follows that, though greater progress *appears* to be made in discharging the national debt

by purchasing in the *three per cents*, (which, perhaps, may account for the preference given to this stock) yet that, in fact, this progress will be retarded, and the free revenue at the end of the term be less than it would have been if the purchases had been made in the *four per cents*, by 374,380*l. per annum*. But the price of the *four per cents* has generally exceeded the price of the *three per cents* in a much less proportion than that of 84. to 70: consequently the preference given to the latter has been injurious to the sinking fund in a much higher degree than I have stated it. In the year 1792 the *three per cents* were at 96, while the *four per cents* were only at 102, and yet the Chancellor of the Exchequer persisted in the same course, and chose to improve the public money at little more than 3*l. per cent*, when he might have improved it with equal ease at 4*l. per cent*. But by neglecting the opportunity which the peculiar state of the funds then offered, the loss was much greater than what followed from the mere accumulation of compound interest. When the *three per cents* had risen to 96, they were within 4*l.* of being at par, and within 6*l.* of the price of the *four per cents*, taking the latter

at

at 102. It might therefore have been proposed to the holders of stock in the *four per cents*, either to pay them at par, (which in this particular case might have been worth while to have done by a fresh loan) or to have allowed them for each 100*l.* in that stock, 100*l.* in the *three per cents*, together with an annuity of 1*l.* for seven years. This being worth 6*l.*, and added to 96*l.*, the value of 100*l.* in the *three per cents* would have amounted to 102*l.*; so that by the proposed exchange, the holders of both stocks would have been placed exactly in the same situation. By this means the public, at the end of seven years, would have entered on the possession of a free revenue of 1*l.* per cent, on 32,750,000*l.*, or of 327,500*l.* per annum. The value of this annuity for ever after the expiration of the above term, and reckoning interest at *four per cent*, (which is more than could have been made of money in 1792) is 6,222,500*l.* It is evident, therefore, that, by a neglect the most inexcusable, the Minister has lost to the public in this single instance above *six millions*. Let this be added to the present value of the deficiency in the free revenue after 26 years, in consequence of purchasing always in the *three per cents*,

cents, rather than in the *four per cents*, and the amount of the whole loss will exceed *ten millions* !

Such are the Minister's operations of finance in regard to the sinking fund, or rather in *discharging* the public debt. What they are in *accumulating* this debt has already appeared in the foregoing sections. In both cases they are without a parallel ; but the operations in the former are conducted on a scale so much more contracted than those in the latter, that I am apprehensive of appearing to trifle with the reader by dwelling so long upon them.

SECTION

SECTION VI.

Miscellaneous Observations.

FROM the first establishment of the consolidated fund in 1786, the expenditure has invariably exceeded the revenue; but more particularly since the commencement of the present war. The deficiencies in the six years preceding the war amounted to seven millions nearly, which were supplied by loans and extraordinary receipts.* In the last three years, though additional taxes have been laid to the amount of four millions, these deficiencies have constantly increased, so as in the present year to fall very little short of two millions.† It is probable, therefore, that annual loans will become necessary in future to provide for the ordinary expences of a peace

* See my Review of Dr. Price's Writings on the Finances of Great Britain, Chap. iii.

† See note B, Appendix.

establishment; and these loans, by requiring new taxes, will produce further deficiencies, so that by borrowing each year, not only to pay the deficiencies of the preceding year, but also the interest on the deficiencies in former years, the national debt will be increasing at compound interest in the same manner as it is reduced, but with this alarming difference, that the operations in the one case are ten times more powerful than in the other.

If these are likely to be the effects of the public debt with the expenditure only of a *peace* establishment, or on the supposition that the war were immediately closed, what must be the consequences of obstinately persisting in a system of profusion, which, if long continued, would ruin any country, however unimpaired its strength and resources?

That the deficiency in the revenue proceeds chiefly from the distressed and overburthened state of the nation is self-evident: but it must also be acknowledged, that it proceeds in some degree from the nature of the taxes which have lately been imposed. These, in order to render the war less obnoxious, have been laid in such a manner as to cause the least immediate pressure on the poorer part of the people. Now,

as this class constitutes the great bulk of the nation (and if the present war continues, is likely to constitute a much greater) it is obvious that a tax which is not immediately paid by them can never be efficient. Such taxes as those for licences to wear hair-powder, to kill game, &c. may do to fill up the column of ways and means in a Minister's budget, but their produce, compared with the serious magnitude of the public exigencies, must always be trifling and contemptible. Our difficulties are great, and are daily becoming greater. The only way to surmount them is, by meeting them fairly, and by being made sensible, by the strong measures which they really require, of the danger with which they threaten us. Instead of this manly conduct, the hopes of the nation are buoyed up by delusive representations of its wealth and prosperity.* The public

* There cannot be a more convincing proof of this than the exaggerated computations of the Chancellor of the Exchequer in regard to the probable future amount of the revenue, when he opens his yearly, or rather his *half yearly* budget to the House of Commons. The grounds upon which some of those computations are founded, are very curious. Thus, in February last, although the produce of the permanent taxes had gradually diminished for the three preceding years, he takes

public are taught to believe that a tax upon the most insignificant articles will prove to be an important branch of the revenue. Hence a multitude of these taxes are levied, a multitude of new officers become necessary to collect them; thus influence increases and the revenue fails, and the deficiencies being blended with the supplies of the next year, are not only overlooked, but by increasing the amount of those supplies, are perverted even into a proof of the flourishing state of the country: for the circumstance of being able to raise a large loan has constantly been adduced as an argument in favour of the greater ability of the nation to

the *mean* of those taxes for four years as the probable amount of their produce in the following year; and in December last, notwithstanding the experience of the former half year had proved his suppositions to be wrong, and that the revenue was still diminishing, he again takes the *mean* of the three foregoing years as the probable amount of the taxes in the ensuing year. It is hardly necessary to observe, that the plain way would have been, to have deducted the average of their deficiencies in the three preceding years from their amount in the last year, and taken the *remainder* as the probable amount of their produce in the next year. But this method of computation, by lessening the present revenue, would have rendered it necessary to have increased the number of *new* taxes; and therefore another species of arithmetic was adopted, less accurate, indeed, in its principle, but much better suited to the purposes of a minister of state.

bear it. The competition of rapacious loan-mongers to share in the spoils of the country, supported by the fictitious credit of paper money, may perhaps enable the Minister to triumph in the facility with which the public debts are accumulated, and the temporising expedient of ineffectual taxation may serve him as a proof of our inexhaustible resources to provide for those taxes. But a system founded upon delusion must end in disappointment and ruin. It was the boast of a French minister of finance, that the American war was carried on during his administration without imposing a new tax upon the French people, and it was this very circumstance which produced the revolution. He borrowed immense sums annually, and endeavoured to provide for them by the ineffectual means of œconomy; for in that country taxation had then arrived at its limits.* A system of œconomy
under

* The taxes, exclusive of the expences of collection, amounted to £4,375,000/. and the number of inhabitants exceeded 27 millions. In Great Britain the taxes, supposing the war now terminated, ought to produce 22 millions at least, although the number of inhabitants, on the most extravagant calculation, does not amount to eight millions. Compared therefore with the inhabitants in each country, the taxes in Great Britain are
G 2 three

under a government which existed by corruption necessarily failed. New loans became necessary to pay the interest of former loans. The mass of debt continued to accumulate, till at length it overwhelmed public credit and buried the government in its ruins. With such an awful warning before us, ought we not to pause? Our resources are not inexhaustible, nor is our credit unbounded. During the last 40 years, the national debt has been increased almost 300 millions, and at this very moment it is increasing faster than ever. With two loans in one year, amounting to 36 millions sterling; with a loan also in the same year to our ally, the Emperor, of 4,600,000*l.* and with an addition to the navy debt of one million and a half, the whole supplies for the next campaign still remain unprovided! The extravagance of Lord *Chatham's* administration, in the seven years war, was long the subject of animadversion, till it was succeeded

three times greater than they were in France when their resources totally failed. How far we may be able still further to increase the proportion before we arrive at the same state, may perhaps be inferred from the produce of the revenue during the last three years, as well as from the difficulty of finding proper objects of taxation for the present year.

by the greater extravagance of Lord *North's* administration in the American war. The enormity of public profusion was now supposed to have attained its highest point, and provoked one of the best patriots which this or any other country ever produced, to express his sentiments of it in the following words:

" I have in this edition inserted a brief
 " history of the sinking fund, and also a
 " particular account of the increase of the
 " public debts from 1776 to 1783, and of
 " the state of our finances at the time of signing the preliminaries of peace. This account is, I believe, as correct as it is possible at present to make it; and I have chosen for many reasons that it should form a part of this work. Hereafter, probably, it will be read with amazement. Our folly, in this instance, is without example. Lord *North* enjoys the singular distinction of having contributed more to it than any former minister. By a war which has degraded the kingdom, and a dissipation of treasure which was never equalled, he has, in the short compass of seven years, doubled a debt before too heavy to be endured; and let future generations

"nerations rise up, and if possible, let them
 "call him—*blessed*."* Had Dr. Price lived
 to have witnessed the profusion of the last
 three years, he would have retracted, or at least
 he would have moderated a part of this cen-
 sure; for Lord North no longer enjoys the
 distinction of being the most extravagant mi-
 nister that has ever afflicted this country.

* Dr. Price's Preface to the 4th edition of his Treatise on
 Reversionary Payments.

APPENDIX.

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APPENDIX.

NOTE A. (Page 19.)

THE minister, in communicating the late loan to the House of Commons, congratulated them on his being able, in the fourth year of a war, to borrow money at so low an interest as 4*l.* 13*s.* 6*d.* or rather 4*l.* 13*s.* 6*d.* *per cent.* If every addition to the debt is to be considered as a perpetual burthen upon the public, this triumph perhaps may have been well founded. But if, on the contrary, according to his own professed principles, regard is to be had in the terms of every new loan, to the discharge of the debt as well as to the payment of the interest, a little attention will convince us that the plan he has adopted of borrowing in the *three per cents*, although it has the specious appearance of lessening the interest, does, in fact, by creating a needless capital, increase it very considerably. In the last loan, the creation of 145*l.* stock for every 100*l.* received, rendered it necessary, in addition to the interest of 4*l.* 13*s.* 6*d.* *per cent.*, to appropriate 1*l.* 9*s.* *per ann.* for the redemption of this stock. The whole interest, therefore, on each 100*l.* of this loan amounted to 6*l.* 4*s.* 6*d.* Supposing on the return of peace that the *three per cents* will continue on an average at 80 *per cent.* (which is 16 *per cent.* less than they were before the commencement of the present war) then will the abovementioned annual sum of 1*l.* 9*s.* redeem at that price a capital of 145*l.* in thirty-seven years and a half; but if the stock is higher, it will of course be a proportionably longer time before this is effected. Now had the debt been funded in the *four per cents*, the money, as I have already observed, might have been borrowed at 4*l.* 16*s.* To this sum 1*l.* 6*s.* might have been added towards discharging the principal, and the whole interest would then have been 6*l.* 2*s.* for each 100*l.* Supposing the price of the *four per cents* to bear the same proportion to the price of the *three per cents* as they do at present, that is, supposing when the latter are at eighty, the former will be at ninety-five, then will a capital of 120*l.* in the *four per cents*, by the annual appropriation of 1*l.* 6*s.* and its interest, be discharged in thirty-seven years and a half, or exactly in the same time as 145*l.* stock in the *three per cents* will be discharged by the annual appropriation of 1*l.* 9*s.* It follows, therefore, that if the last loan had been borrowed in the *four per cents*, a saving of 2*s.* 6*d.* *per cent.* might have been made in the interest for the first thirty-seven years and a half, which on eighteen millions, amounts to 22,500*l.* *per ann.* and a further saving of the long annuity, or 58,500*l.* *per ann.* for the remainder of sixty-four years after this term. If the *three per cents* should rise higher than eighty, the redemption of the debt in that stock will be retarded much more than it can possibly be in the *four per cents*, and consequently the loss to the public will be still greater. But if the loan had been funded at par in the *five per cents*, and 1*l.* *per cent.* had been appropriated to the redemption of the debt, the public creditor would have received 5*l.* *per cent.* for his money, or 6*l.* 6*d.* more than he is allowed in the last loan, and yet the whole capital

capital would have been redeemed in little more than thirty-six years and a half. In this case, a saving would have been made of 4s. 6d. *per cent*, or 40,500*l.* *per ann.* for the first thirty-six years and a half, a saving of 1,100,000*l.* in the thirty-seventh year, and also a saving of the whole of the long annuity, or 58,500*l.* *per ann.* for the remaining twenty-six years and a half after that period. Hence it is evident that the low interest at which money is raised, affords no proof of the bargain's being advantageous to the borrower; for the public creditor may receive a higher interest, and yet the nation be enabled to discharge its debt at less annual expence, and in a much shorter time than if it lessens that interest by increasing the capital. In the last loan this was particularly the case, and it might easily be proved that the nation lost above a million by borrowing in the *three per cents* rather than in the *five per cents*, supposing even that the former will be all paid at twenty *per cent* under par, or rather that a capital of 26,100,000*l.* will be discharged for less than twenty millions in money; a supposition highly improbable, should the country ever recover its credit and be able to redeem the debt at all.

NOTE B. (Page 39.)

THE average produce of the old taxes for nine years, preceding the conclusion of the last war, was 8,144,304*l.*; in the year after the war, their produce sunk to 6,933,928*l.* This deficiency in the revenue, proceeded partly from the increase of smuggling, but principally from the reduction of the public expenditure; for as most of the articles consumed in war are charged with heavy duties to government, it is obvious that the greater the profusion of the public money, the greater must be the produce of the public revenue. In the present war, which exceeds all that ever preceded it in the enormity of its expence, the revenue must of course be increased in a higher degree than in any other war, and consequently whenever it terminates, the deficiency must be so much the more alarming. During the American war, the extraordinary annual expenditure amounted, on an average, to about sixteen millions; in the present war it amounts, on the most moderate computation, to twenty-five millions. On the termination of the one, the revenue became deficient one million and a quarter, in the produce of the old taxes; and I think it may be fairly expected that on the termination of the other, the whole deficiency will fall very little short of two millions; for the expences are not only *greater*, but the taxes have been so much increased since the American war, that were the expences *equal* in both, it is probable that the effect produced on the revenue, in this single circumstance, would be very nearly in the proportion abovementioned. It might also be observed, that every additional tax is a fresh encouragement to smuggling, and therefore that it is to be apprehended that the public revenue will be injured by those illicit practices in a much higher degree than ever. But I feel no pleasure in anticipating evil; I am only sorry that there is not virtue enough to prevent it.

FINIS.

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